

Message Text

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TAGS: SOPN, ETEL, CA US

SUBJECT: MEDIA REACTION: U.S. SENATORS PROPOSAL TO TAX TELEVISION
EXPORTS TO CANADA

FOLLOWING ARE EXCERPTS FROM VANCOUVER PROVINCE AUGUST 4 EDITORIAL
ENTITLED, "HARRY WILL BE MAD ABOUT THIS" "IT MAY SEEM INCREDIBLE,
BUT THAT ROW OVER BILL C-58 IS STILL ON. THE LEGISLATION,
STRIPPING FOREIGN PUBLISHERS AND BROADCASTERS OF CANADIAN
TAX ADVANTAGES, HAS BEEN APPROVED BY BOTH HOUSES IN OTTAWA,
BUT AWAITS PROCLAMATION.

"IN THE MEANTIME A GROUP OF U.S. SENATORS HAS SURFACED WITH A
DEMAND TO STATE SECRETARY HENRY KISSINGER THAT HE CONSIDER
A LEGISLATIVE RESPONSE. SPECIFICALLY THEY CALL FOR A 50-PER-CENT
EXPORT TAX ON TV PROGRAMS DESTINED FOR CANADA--WHICH COULD COST
CANADIAN STATIONS DOLS 20 MILLION A YEAR--AND A BAN ON ALL CANADIAN
FEATURE FILMS, TV PRODUCTIONS AND RECORDINGS.

"THIS IS STRONG STUFF--ON THE SURFACE. YET THE CANADIAN GOVERNMENT
HAS NOT ACTED UNFAIRLY. THERE HAS BEEN NO DISCRIMINATION.
ALL THE GOVERNMENT HAS DONE IS REMOVE TAX CONCESSIONS THAT SHOULD
NEVER HAVE BEEN ALLOWED IN THE FIRST PLACE...

"THE U.S. BORDER TV STATIONS...ARE UNDERSTANDABLY FIGHTING

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HARD TO KEEP THEIR DOLS 20 MILLION ANNUAL ADVERTISING REVENUE

FROM CANADIANS." " ACCORDING TO THE CRTC'S(CANADIAN RADIO-TELEVISION COMMISSION) HARRY BOYLE THIS DOLS 20 MILLION IS DESPERATELY NEEDED FOR CANADIAN PROGRAMMING. THE FACT IS THAT WHILE MANY CANADIAN STATIONS ARE LOW IN CANADIAN CONTENT AS WELL AS LOSING MONEY, KVOS BELLINGHAM AND TWO BUFFALO, N.Y. STATIONS MADE PROFITS OF DOLS. 4.7 MILLION IN 1975.

"OUR FEELING IS KVOS, LIKE TIME, WILL SURVIVE AFTER THE TAX PEOPLE MOVE IT INTO THE 'FOREIGN' BRACKET.

" SO TO WILL CANADIAN TV IF WE ARE STUCK WITH A 50-PERCENT PENALTY AND INCREASE IN ADVERTISING RATES WILL TAKE CARE OF THAT WITHOUT CRIPPLING THE INDUSTRY. ACCORDING TO DARYL DUKE, PRESIDENT OF CKVU-TV, WHICH STARTS PROGRAMMING IN VANCOUVER SEPTEMBER 5, THERE IS A SHORTAGE OF ADVERTISING TIME--AT LEAST IN B.C. BUT WE ARE NOT INCLINED TO TAKE THE SENATORS' THREAT SERIOUSLY. AS MR. DUKE HAS ALSO SAID, THERE IS NO SHORTAGE OF PROGRAMMING THAT CAN BE OUGHT FROM COUNTRIES OTHER THAN THE U.S. WE IN CANADA ALSO MIGHT GET RILED ENOUGH TO PRODUCE MORE OF OUR OWN CONTENT. RATHER THAN DESTROY OUR ENTERTAINMENT INDUSTRY, IT WOULD GIVE IT A SHOT IN THE ARM."
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